



U.S. Senator Arlen Specter
and
U.S. Small Business Administration
Present



How to Survive and Thrive in a Slowdown

November 17, 2008

8:30am—12:30pm

**William J. Green Federal Building
2nd Floor, Conference Rooms A & B
600 Arch Street
Philadelphia, PA 19106**

The following presentation was conducted by:

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Wharton Small Business Development Center

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Strategies for Small Businesses to Survive and Thrive in a Slowdown

Prepared for
"How to Survive and Thrive in a Slowdown"

Presented by

Senator Arlen Specter and U.S. Small Business Administration
M. Therese Flaherty, PhD, Director Wharton Small Business Development
Center

November 17, 2008

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of Wharton Entrepreneurial Programs.*

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University of Pennsylvania.*

Agenda

1. Appraise

- the slowdown's impact on your business
- *with brutal realism*

2. Survive

- adapt strongly and quickly

3. Thrive

- re-evaluate opportunities

4. Use

- your resources & allies

Appraise:

Sequoia Capital: October 10, 2008

- “My attitude is
 - Batten down the hatches....it is going to be a tough ride.
 - Any company without a year of cash minimum in the bank is in trouble.”
- <http://venturebeat.com/2008/10/10/the-sequoia-rip-good-times-presentation-get-your-copy-here>

Survive: Sequoia Capital's "Solution"

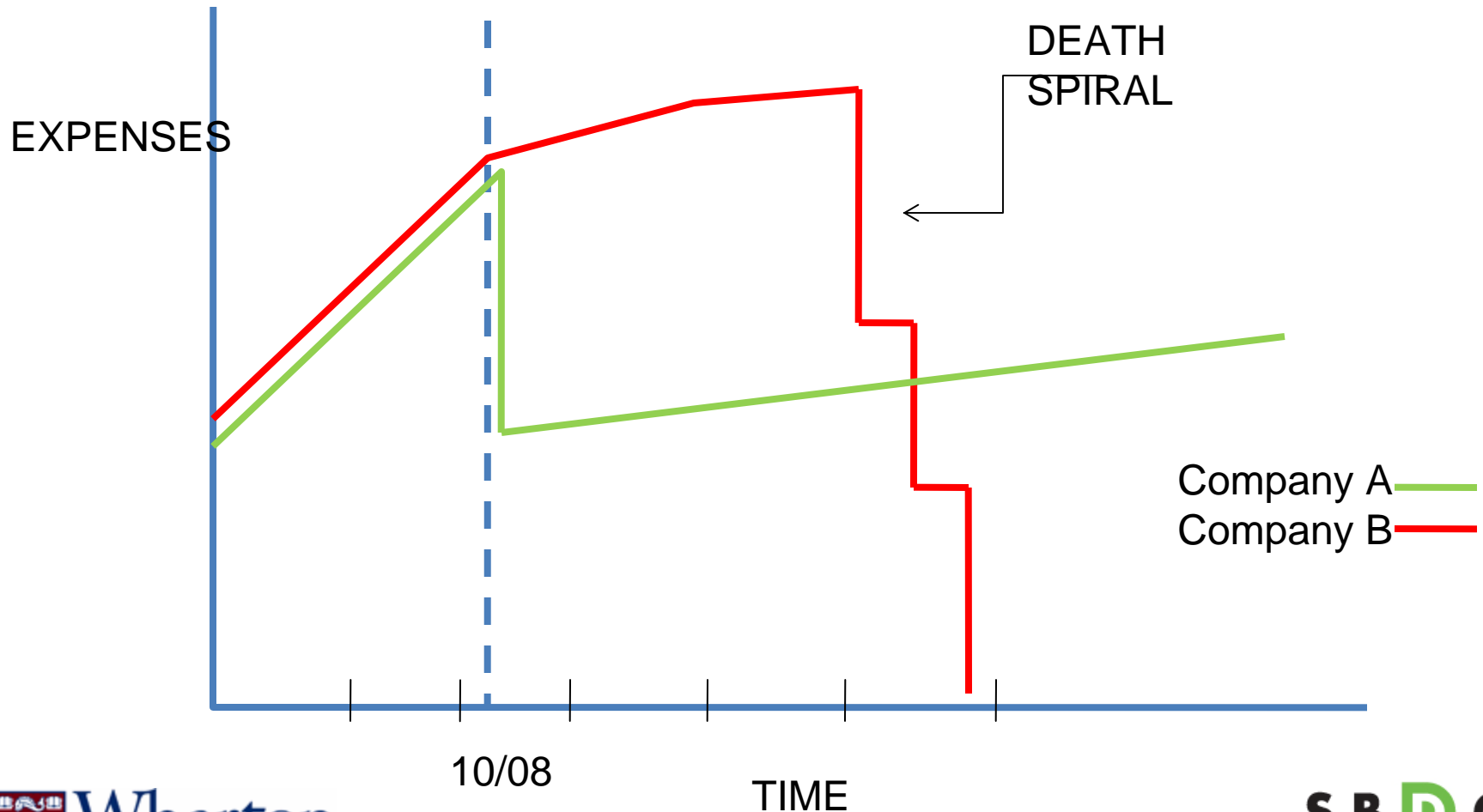
- Perform situation analysis
- Adapt quickly
- Use a zero-based budgeting approach
- Make cuts
- Review salaries
- Employ a heavily commissioned sales structure
- Bolster balance sheets
- Become cash flow positive as soon as possible
- Spend every dollar as if it were your last

Survive: Situation Analysis

- Sales & Prospects
 - Pipeline, very recent signals
- Expenses
 - Variable, fixed – opportunities for adjustment
 - “Seed corn”/investment
- Cash on hand; assets; credit lines; debt
 - Accounts receivable, accounts payable
 - Suppliers, customers, allies
- Risk

A good accountant with experience in your business can provide analysis, ideas, and advice.

Decide & Act: Sequoia's Survival of the Quickest



Thrive:

Consider & Act on Opportunities

- Your capabilities & your remaining needs
- Customers you have not had time to pursue
- Customers, suppliers and partners wanting to continue to work with you
- New needs by new customers for your capabilities
- Great people now more available

Use:

Resources & Allies

- All organizations represented here
- Wharton Small Business Development Center Programs
 - Meet the Lenders
 - Wednesday 11/19 -- 630pm – 830pm
 - Positioning your Business for the Rebound (with SCORE)
 - Friday 12/5 -- 8am – 10am
 - Marketing to State Government (with Temple SBDC)
 - 12/11 -- Noon – 2pm
 - What the Wharton SBDC Can do for your Business
 - *Understand your business from your point of view & get you making results-oriented decisions ASAP*
 - Conference Call -- Every Wednesday Noon
 - In-Person Meetings – Monthly Wednesday 12/3 -- 9am
 - <http://whartonsbdc.wharton.upenn.edu>; 215-898-4861